Manitoba

ANNUAL REPORT

1983 - 84

The Manitoba Water Services Board

85-4387/

TWELFTH ANNUAL REPORT

THE MANITOBA WATER SERVICES BOARD

Year Ending March 31, 1984

Manitoba

Agriculture

The Manitoba Water
Services Board

P.O. Box 1059
2022 Currie Boulevard
Brandon, Manitoba, CANADA
R7A 6A3

(204) 727-1917

The Honourable Bill Uruski
Minister of Agriculture

Sir:

I have the honour of presenting herewith the Twelfth Annual Report of The Manitoba Water Services Board for the fiscal year ending March 31, 1984, together with the financial statements of the Board for the same period.

Yours respectfully,

C.C. Cranston,
Chairman,
The Manitoba Water Services Board

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The Manitoba Water Services Board

Chairman
*E.P. Hudek

Vice-Chairman
T.E. Weber
Director
Water Resources Branch
Department of Natural Resources

Members
**W.G. Bowen
Assistant Deputy Minister
Environmental Management Division
Department of Environment

F.R. Dennis
Director
Municipal Budgets and Finance
Department of Municipal Affairs

G. Jasper
Reeve
Rural Municipality of Sifton

*C. C. Cranston, Assistant Deputy Minister, Department of Agriculture assumed the position of Chairman from E.P. Hudek, effective June 29, 1984.

**N. E. Brandson, Director, Department of Environment and Workplace Safety and Health was appointed as a member of The Manitoba Water Services Board to succeed W. G. Bowen effective April 2, 1984.

The Manitoba Water Services Board

The Manitoba Water Services Board was established in July 1972 under The Manitoba Water Services Board Act to assist in the provision of water and sewage facilities to the residents of rural Manitoba. It replaced the Manitoba Water Supply Board, taking over all responsibilities of the former Board including the ownership and the operation of 37 water supply installations in the Province.

The Board is composed of representatives of the Departments of Natural Resources, Environment, and Municipal Affairs, and two citizen members. It reports to the Legislature through the Minister of Agriculture.

The amalgamation of The Manitoba Services Board and Agri-Water Branch of the Department of Agriculture was completed during the 1983/84 fiscal year. Effective April 1, 1984 all Agri-Water Branch staff and operating budget is being transferred to The Manitoba Water Services Board. As of that date The Manitoba Water Services Board will deliver the Agri-Water activities on behalf of Manitoba Department of Agriculture.

Objectives

The Manitoba Water Services Board has the following specific objectives as outlined in the Act:

a) The obtaining of supplies of potable water for domestic and other uses within the province, and the selling of water to municipalities and water districts.

b) The acquisition or construction and the operation and maintenance of all plants and works necessary for obtaining, collecting, storing, treating, purifying and transmitting water.

c) The transmission of water from a source of supply or a point of storage to a point of acceptance by a municipality or a water district either within or without the municipality or water district.

d) The acquisition or construction and the operation and maintenance of works for the distribution of water.

e) The acquisition or construction and the operation and maintenance of works for the collection of sewage.

f) The acquisition or construction and the operation and maintenance of works for the treatment and disposal of sewage.

The above objectives were met in the following manner:

a) The Board operated 47 water treatment plants and sold potable water for domestic and other uses to various municipalities and water districts.

b) During the fiscal year 1983/84 the Board constructed one water treatment plant which was turned over to the respective municipality for operation.

b & c) There were 37 water treatment plants constructed by The Manitoba Water Supply Board prior to 1972. These are now operated by The Manitoba Water Services Board. The potable water produced is sold in bulk to the municipalities. In addition 10 water treatment plants were constructed by The Manitoba Water Services Board under cost-sharing agreements with the municipalities which were operated at the request of the municipalities by The Manitoba Water Services Board with water sold in bulk to the municipalities.

d, e & f) In 1983/84 water and sewage facilities for 26 municipalities were constructed and turned over to the respective municipalities for their ownership and operation.

The Board can enter into agreements with any municipalities which have become a "declared area" by order of the Lieutenant-Governor-in-Council, under Section 10 of the Act. Once an application is received and the Board has made the necessary physical and engineering investigations, received Treasury Board approval, an Offer is submitted to the municipality for the construction of new works, extensions, and/or improvements to existing works. The works may be owned and operated either by the Board or the municipality.

After the municipality has received the necessary Municipal Board approvals and the Agreement has been executed, the Board enters into the necessary contracts for design and construction of the works.

The Manitoba Water Services Board owns and operates 37 water treatment plants constructed prior to 1972 by The Manitoba Water Supply Board. The Manitoba Water Services Board Act requires the Board to fix rates for each plant, to recover costs pertaining to the services supplied, taking into account grants for rate stabilization provided by the Province of Manitoba, to such plants constructed prior to 1972. The rates set by the Board and approved by the Province are in accordance with tables maintained by the Board which indicate a return of full capital costs and operating deficits based on a 35 year operating life. For the year ending March 31, 1984 rate stabilization grants totalling $698,021 were paid in respect of the operation of 29 of the plants constructed under the Manitoba Water Supply Board Act.

An Agreement between The Manitoba Water Services Board and a municipality will vary in length, however, it is long enough to ensure a stable period of operation for the Board works and to guarantee satisfactory water and sewage services to the municipality. In some instances the municipality has requested and the Board has agreed to operate water treatment plants on behalf of the municipality.

The share of the capital cost of construction to be assumed by the municipality is set at:

1. the capitalized amount which 20 mills on the equalized assessment produces, plus 50 percent of the balance of the project cost. Capital debt on an existing utility and monies obtained from sources other than The Manitoba Water Services Board are taken into account in the calculation;
2. for sewer systems only, the limit is the capitalized amount which 8 mills on the equalized assessment produces, plus 50 percent of the balance of the cost of the works;
3. for water systems only, the limit is the capitalized amount which 12 mills on the equalized assessment produces, plus 50 percent of the balance of the cost of the works.

Summary of Services in 1983-84

Preliminary Investigations

Three more municipal corporations were made "declared areas" and the Board received 39 applications for assistance from individual municipalities during the year.

A total of 28 engineering feasibility studies were completed. On the basis of these and previously completed studies, the Board submitted 24 agreements (12 regular budget and 12 JOBS FUND) for the construction of water/or sewer facilities to municipalities. Amendments to existing agreements were submitted to two municipalities.

Twenty-one agreements (10 regular budget and 11 JOBS FUND) submitted during this and the previous year, as well as two amended agreements, were signed by March 31, 1984. Estimated costs for these agreements and the dates they were signed are given in the following table:

Construction Agreements Signed

during the year ending March 31, 1984

Municipality	Date Agreement Signed	Estimated Capital Cost of Project
*Altona (Town)	April 28, 1983	$ 165,000
Cartwright (Village)	March 14, 1984	57,000
*De Salaberry (RM) (St. Malo)	May 19, 1983	300,000
Ethelbert (Village)	January 24, 1984	91,000
*Flin Flon (City)	July 1, 1983	1,542,000
Franklin (RM) (Dominion City)	March 29, 1983	280,000
Gladstone (Town)	August 16, 1983	253,000
Grandview A-2 (Town)	November 24, 1983	281,000
*Hamiota (Village)	August 4, 1983	120,000
Hanover (RM) (Grunthal)	May 19, 1983	19,000
*Hanover (RM) (Grunthal)	September 9, 1983	25,000
MacGregor (Village)	December 29, 1983	11,000
Minitonas (Village)	July 6, 1983	17,000
*Montcalm (RM) (St. Jean Baptiste)	July 1, 1983	132,000
Montcalm (RM) (St. Jean Baptiste)	October 25, 1983	96,000
Montcalm A-1 (RM) (St. Jean Baptiste)	March 14, 1984	180,000
*Morris (Town)	September 14, 1983	141,000
*Portage (City)	July 6, 1983	90,000
*Powerview (Village)	August 16, 1983	127,000
Ritchot (RM) (St. Adolphe)	June 1, 1983	318,000
Souris (Town)	October 6, 1983	32,000
*Steinbach (Town)	September 14, 1983	330,000

JOBS FUND Projects

Design and Construction 1983/84

Water and sewerage project design and construction resulted in total expenditure of $6.147M, of which approximately $2.433M was contributed by the Province. For further details refer to Exhibit D of the Financial Statement.

Under these provincially funded projects, approximately 100 000 cu. m of earth was moved in the construction of waste stabilization ponds, over 13,000 meters of sewers and 8,000 meters of watermains were installed. In addition, 1,135,000 litres of water storage capacity were constructed in the form of concrete reservoirs.

Projects Substantially Completed Under Regular Budget were:

		Project Costs	Provincial Grants
Flin Flon	— Water and Sewer main extensions	$ 713,980	$
Gladstone	— Waste Stabilization pond expansion — Lift Station and forcemain	233,112	44,280
Minitonas (3)	— Lift Station improvements	19,743	9,871
MacGregor	— Water Distribution improvements	8,542	550
Neepawa (3)	— Water Distribution main replacements	502,222	251,111
St. Adolphe (2)	— Waste Stabilization pond, Lift Station and Forcemain	186,810	93,405
Sandy Lake (5)	— Water and Sewer Extensions	156,772	57,642
Selkirk (2)	— Sewage Treatment Plant Modification	101,043	50,521
Snow Lake (1)	— Sewage Forcemain		
Snow Lake (2)	— Water and Sewermain renewals — New Water Treatment Plant	1,411,352	705,676
Somerset	— Waste Stabilization Pond Extension	162,278	58,098
Virden (2)	— Water Storage Reservoir	296,784	—
Ochre River	— Forcemain Renewals	50,814	19,739
Oakville (3)	— Water Supply Works	128,147	64,074
Souris (3)	— Sewer Extensions	20,014	10,007

Projects Substantially Completed under the JOBS FUND budget were:

			Project Costs	Provincial Grants
Altona (2)	—	Water and Sewer Extensions	$ 144,895	$ 72,448
Dominion City (2)	—	Water main Extensions	6,157	3,078
Erickson (2)	—	Water Supply Works	9,471	4,635
Flin Flon (2)	—	Water and Sewer main renewals, lift station	1,383,461	691,730
Grunthal (4)	—	Waste and Sewer Extensions	20,500	10,250
Hamiota (4)	—	Water supply works, watermain renewals, water and sewer extensions	88,000	44,000
Kleefeld	—	Sewer main extensions	5,143	2,572
Morris (3)	—	Sewer main Extensions	108,219	52,974
Portage (3)	—	Water Treatment Works	31,571	15,786
St. Jean Baptiste (3)	—	Water mains and forcemain renewals	130,945	65,473
Steinbach (2)	—	Watermain renewals, waste stabilization Pond relocation study	209,201	104,600

Projects Under Design or Construction at Year End were:

*Blumenort	—	Waste Stabilization Pond Expansion
Russell	—	Water Supply System upgrading
St. Jean (4)	—	Water main renewals
Snow Lake	—	Sewage Treatment Plant, sewage lift station
Cartwright	—	Water and Sewer Extension
*Ethelbert	—	Waste and Sewer Extension
Fisher Branch	—	Sewerage System
Pilot Mound	—	Water supply system upgrading
Ste. Rose du Lac	—	Water Supply system upgrading, Waste Stabilization Pond expansion, Lift Station and forcemain upgradings
*Flin Flon	—	Water and Sewer main renewals, Lift Station, heating plant monitoring system
*Minitonas	—	Water Supply System upgrading
*St. Malo	—	Waste Stabilization Pond relocation, lift station, forcemain

**JOBS FUND*

The Board operates forty seven water treatment plants of which thirty seven were constructed prior to 1972 by the Manitoba Water Supply Board now referred to as "previously constructed works". Of these, water rates for twenty eight were at the subsidized level of $4.50 per 1000 Imperial gallons effective April 1, 1984. Effective April 1, 1984 the new water rates were approved for seven previously constructed works.

The rate increases were:

Altona, Gretna Rhineland	to $2.75	per 1000 Imperial Gallons for the first 40.56 million gallons
	and	
	$2.10	in excess of that quantity
Winkler	to $2.80	per 1000 Imperial gallons
Rossburn	to $3.80	per 1000 Imperial gallons
Ste. Rose du Lac	to $4.10	per 1000 Imperial gallons
Somerset	to $3.00	per 1000 Imperial gallons
St. Claude	to $4.15	per 1000 Imperial gallons
Notre Dame de Lourdes	to $1.30	per 1000 Imperial gallons

Water rates remained unchanged at Reston and McCreary.

Effective April 1, 1984 new water rates were approved for six newly constructed works.

Birch River	to $2.25	per 1000 Imperial gallons
Elm Creek	to $5.00	per 1000 Imperial gallons
Lac du Bonnet	to $1.25	per 1000 Imperial gallons
Miami	to $3.60	per 1000 Imperial gallons
Plum Coulee	to $6.45	per 1000 Imperial gallons
Swan Lake	to $0.47	per cubic metre

Water rates remained unchanged at Cranberry Portage, Grunthal, Stonewall and Rapid City.

Operations and Maintenance

Four lime-soda ash plants identified for major upgrading and/or expansion have agreed to proceed with the consultant's report. Majority of the upgrading works will be completed during 1985.

The Red River Regional Water Supply concept was finalized and P.F.R.A. agreed to design and supervise construction of a pipeline from Letellier to Altona. The design of the new water treatment plant at Letellier has begun with construction to start in 1985.

Three iron removal water treatment plants were identified by the maintenance staff for major plant upgrading. Major upgrading works will be completed in 1985.

Three aeration systems were installed in surface water supply reservoirs to minimize taste and odour. Test data collected by plant operators and Fisheries Branch is very encouraging in minimizing taste and odours in surface water supplies.

Sale of Water

Town or Municipality	Consumption 1983-1984	Actual Cost of Producing Per 1,000 I.G.	April 1/84 Selling Price 1,000 I.G.	Type of Treatment
Altona,	76,227,000	2.92	2.75	A,B
R.M. of Argyle (Baldur)	6,387,000	5.21	4.50	B,C
Benito	6,857,000	4.05	4.50	C
R.M. of Blanshard (Oak River)	2,639,000	6.68	4.50	C
Bowsman	4,475,000	8.54	4.50	C
R.M. of Cartier (Elie)	6,932,000	6.19	4.50	C,D
Cartwright	7,182,000	4.21	4.50	C,D
L.G.D. of Consol (Cranberry Portage)	143,000	0.14 cu. m	0.13 cu. m	E
Deloraine,	17,071,000	5.22	4.50	A,B
Erickson	8,812,000	5.24	4.50	B,C,D
Ethelbert	5,368,000	5.70	4.50	C
R.M. of Franklin (Dominion City)	6,305,000	6.65	4.50	D
Gilbert Plains	11,949,000	6.10	4.50	A
Gretna,	10,710,160	2.92	2.75	A,B
R.M. of Grey,	1,967,000	3.26	4.15	NONE
R.M. of Grey (Elm Creek)	3,875,000	4.43	5.00	C,D
Hamiota	14,602,000	6.99	4.50	A,B
R.M. of Hanover (Grunthal)	15,820,000	0.72	1.20	E
R.M. of Harrison (Sandy Lake)	5,094,000	4.80	4.50	C
Lac du Bonnet	33,003,000	1.10	0.75	F
R.M. of Lorne (Swan Lake)	21,638	0.38 cu. m	0.47 cu. m	E
Manitou	16,238,000	4.46	4.50	A,B
McCreary	10,754,000	2.38	3.45	B,C
Minitonas	7,125,000	10.65	4.50	Reverse Osmosis
R.M. of Montcalm (Letellier)	5,676,000	9.53	4.50	A
R.M. of Montcalm (St. Jean Baptiste)	9,758,000	6.02	4.50	A
L.G.D. of Mountain (Birch River)	4,892,000	1.82	2.25	E
Notre Dame du Lourdes	13,319,000	1.09	1.30	E
Pilot Mound	17,047,000	5.59	4.50	A,B
R.M. of Pipestone (Reston)	10,281,000	2.21	3.15	B,C
Plum Coulee	8,346,000	6.92	6.45	A
Rapid City	4,343,000	3.70	2.50	C
R.M. of Rhineland,	6,619,360	2.92	2.75	A,B
R.M. of Ritchot (Ste. Agathe)	4,421,000	5.60	4.50	E
R.M. of Rosedale (Kelwood)	2,773,000	5.69	4.50	E
Rossburn	11,610,000	2.92	3.80	B,C,D
Russell	31,106,000	3.47	4.50	A
R.M. of Silver Creek (Angusville)	1,929,000	11.56	4.50	C
Somerset	10,116,000	0.23	3.00	E
Ste. Rose du Lac	21,638,000	3.17	4.10	A

Sale of Water (continued)

Town or Municipality	Consumption 1983-1984	Actual Cost of Producing Per 1,000 I.G.	April 1/84 Selling Price 1,000 I.G.	Type of Treatment
St. Claude[3]	11,019,000	3.26	4.15	E
R.M. of Shellmouth (Inglis)	2,263,000	10.76	4.50	C
Stonewall	38,778,000	0.35	0.50	E
R.M. of Strathclair (Strathclair)	5,865,000	8.27	4.50	C,D
R.M. of Strathcona (Belmont)	4,827,000	5.35	4.50	C
R.M. of Thompson (Miami)	6,198,000	2.32	3.60	C
R.M. of Victoria (Holland)	6,413,000	4.27	4.50	C
R.M. of Winchester[4]	2,383,000		0.50	NONE
Winkler	127,541,000	2.01	2.80	A,B
Winnipegosis	10,618,000	5.64	4.50	A
R.M. of Woodworth (Kenton)	3,428,000	11.40	4.50	F

Altona, Gretna, and Rhineland have a selling price of $2.75 per thousand Imp. gal., however, when consumption for each reaches 40,560,000 Imp. gal. the selling price is reduced to $2.10 per thousand Imp. gal. However, the only one affected is Altona which reaches 40,560,000 in July.

1. Water provided by the same treatment plant.
2. Water provided from the same water source.
3. Water provided from same water treatment plant.
4. Untreated water delivered directly from water source.

Type of Treatment:
A — Lime soda softening
B — Fluoridation
C — Iron/or manganese removal
D — Zeolite softening
E — Chlorination
F — Coagulation, sedimentation

PROVINCE OF MANITOBA
PROVINCIAL AUDITOR

The Manitoba Water Services Board
Report of the Provincial Auditor's Office

We have examined the financial statements, being Exhibits A, B, C and D and Schedules 1 to 3, of The Manitoba Water Services Board for the fiscal year ended March 31, 1984. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Manitoba Water Services Board as at March 31, 1984 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting policies stated in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

W. K. Ziprick, C.A.,
Provincial Auditor.

September 21, 1984,
Winnipeg, Manitoba.

The Manitoba Water Services Board

Exhibit A

Balance Sheet

as at March 31, 1984
(with 1983 figures for comparison)

Assets

	1984	1983
Current assets:		
Cash on hand and on deposit with the Minister of Finance	$ 271,600	$ 435,095
Accounts receivable	663,446	594,781
Grants receivable from the Government of the Province of Manitoba — subsidization of construction costs	510,130	146,741
Accrued interest	763,745	711,451
Prepaid expenses	36,569	30,369
	2,245,490	1,918,437
Debentures receivable from municipalities, Schedule 1 (Note 1b))	16,766,304	15,006,702
Construction in progress recoverable from municipalities and the Government of the Province of Manitoba (Note 2)	671,644	421,132
Fixed assets: (Note 3)		
Works, at cost		
Land and easements	80,977	80,977
Buildings and equipment	5,578,902	5,563,641
	5,659,879	5,644,618
Less: Accumulated depreciation	3,488,982	3,317,787
	2,170,897	2,326,831
Accumulated excess of operating expenditures over revenues, recoverable, Exhibit C, (Note 4)	3,468,556	3,795,918
Amortized interest recoverable	63,981	45,894
Total	$ 25,386,872	$ 23,514,914

Approved on behalf of the Board:

Liabilities

	1984	1983
Current liabilities:		
Accounts payable and accrued charges	$ 773,885	$ 866,207
Capital debt, Schedule 3: (Note 1b))		
Advances from the Government of the Province of Manitoba	17,153,628	14,988,600
Advances and debentures — Canada Mortgage and Housing Corporation (Note 6)	2,735,348	2,830,433
Bonds	5,977,000	5,977,000
	25,865,976	23,796,033
Less sinking fund: (Note 1g))		
Cash on deposit with the Minister of Finance	111,541	553,514
Investments, at cost, Schedule 2	1,141,448	593,812
	1,252,989	1,147,326
	24,612,987	22,648,707
Total	$ 25,386,872	$ 23,514,914

Exhibit B

The Manitoba Water Services Board

Statement of Operating Revenues and Expenditures

for the year ended March 31, 1984
(with 1983 figures for comparison)

	1984	1983
Revenues:		
Sale of water	$ 1,876,543	1,624,627
Interest:		
Municipalities	1,762,075	1,904,206
Sinking funds and funds on deposit	148,903	148,649
Grant from the Government of the Province of Manitoba — subsidization of water rates	698,021	616,346
	4,485,542	4,293,828
Expenditures:		
Interest:		
Advances	1,768,922	1,956,397
Bonds and debentures	655,399	609,993
Audit and other fees	16,444	14,347
Chemicals	387,880	328,143
Depreciation	171,196	184,407
Salaries and benefits	649,578	611,347
Heat, telephone, light and power	244,090	233,821
Repairs and maintenance	166,339	167,339
Water purchased for resale	172,682	156,872
Water quality expense	6,891	—
	4,239,421	4,262,666
Less: Expenditures applied to construction	81,241	55,527
	4,158,180	4,207,139
Excess of operating revenues over expenditures, Exhibit C	$ 327,362	$ 86,689

The Manitoba Water Services Board

Statement of Accumulated Excess of Operating Expenditures over Revenues, Recoverable (Note 4)

for the year ended March 31, 1984
(with 1983 figures for comparison)

	1984	1983
Balance, beginning of year	$ 3,795,918	$ 3,882,607
Deduct: Excess of operating revenues over expenditures, Exhibit B	327,362	86,689
Balance, end of year, Exhibit A	$ 3,468,556	$ 3,795,918

Exhibit D

The Manitoba Water Services Board

Statement of Changes in Financial Position

for the year ended March 31, 1984
(with 1983 figures for comparison)

	1984	1983
Source of Funds:		
From operations:		
Excess of operating revenues over expenditures, Exhibit B	$ 327,362	$ 86,689
Add: Non-cash transactions:		
Depreciation	171,196	184,407
Amortization of sinking fund bond discount — net	(18,087)	32,494
	480,471	303,590
The Government of the Province of Manitoba:		
Grants — subsidization of construction costs	2,433,957	2,148,499
Advances — net	2,165,028	(679,452)
Canada Mortgage and Housing Corporation:		
Grants — subsidization of construction costs	—	156,580
The Government of Canada:		
Construction expenditure recoveries	21,578	—
Municipalities:		
Debenture principal repayments	578,759	335,985
Construction expenditure recoveries	958,871	3,224,878
	6,638,664	5,490,080
Application of Funds:		
Construction of facilities for municipalities	6,003,280	4,466,878
Canada Mortgage and Housing Corporation:		
Advances, net	95,085	90,510
Purchase of fixed assets	15,261	—
Sinking fund payments, net	105,663	101,599
	6,219,289	4,658,987
Increase in working capital	419,375	831,093
Working capital, beginning of year	1,052,230	221,137
Working capital, end of year	$ 1,471,605	$ 1,052,230
Current assets, Exhibit A	$ 2,245,490	$ 1,918,437
Less: current liabilities, Exhibit A	773,885	866,207
Working capital	$ 1,471,605	$ 1,052,230

The Manitoba Water Services Board

Schedule of Debentures Receivable from Municipalities

as at March 31, 1984

Municipality	Number of Debentures	Term	Interest Rates %	Balance
Village of Arborg	5	October 31, 1984-2000	9.25-13.75	$ 182,858
Village of Benito	1	October 31, 1984-1998	9.8	10,273
Village of Binscarth	1	October 31, 1984-1998	11.25	35,027
Rural Municipality of Birtle	2	October 31, 1984-2000	11.25-13.75	149,518
Town of Birtle	2	October 31, 1984-2003	12.625-13.125	254,866
Town of Carman	3	October 31, 1984-1999	9.0-11.25	210,352
Rural Municipality of Cartier	1	October 31, 1984-1995	10.95	127,071
Rural Municipality of Coldwell	2	October 31, 1984-1996	9.8-10.95	135,681
Local Government District of Consol	1	October 31, 1984-1996	9.8	55,703
Town of Dauphin	2	October 31, 1984-1996	9.8-10.95	437,297
Town of Deloraine	3	October 31, 1984-2000	9.8-13.75	95,816
Rural Municipality of DeSalaberry	1	December 31, 1984-2003	12.625	16,336
Rural Municipality of East St. Paul	3	October 31, 1984-1997	9.0-10.95	147,952
Town of Emerson	3	October 31, 1984-2000	9.8-13.75	47,919
Village of Erickson	1	October 31, 1984-1994	9.25	5,999
Rural Municipality of Eriksdale	1	October 31, 1984-1996	9.8	6,965
Village of Ethelbert	1	October 31, 1984-1989	11.25	7,604
City of Flin Flon	2	December 31, 1984-2003	12.625	1,075,048
Village of Gilbert Plains	2	October 31, 1984-1995	9.25-10.95	96,663
Town of Gimli	1	October 31, 1984-2000	13.75	92,485
Town of Gladstone	1	December 31, 1984-2003	12.625	112,545
Village of Glenboro	1	December 31, 1984-2002	13.125	102,942
Town of Grandview	6	October 31, 1984-2002	9.0-13.75	127,336
Town of Grandview	1	December 31, 1984-2002	13.125	60,375
Village of Gretna	3	October 31, 1984-1995	9.8-11.25	30,116
Rural Municipality of Grey	2	October 31, 1984-2000	11.25-13.75	370,899
Village of Hamiota	1	October 31, 1984-2000	13.75	18,641
Rural Municipality of Hanover	9	October 31, 1984-2000	9.0-13.75	557,548
Town of Hartney	1	December 31, 1984-1988	6.645	112,259
Village of Lac du Bonnet	1	October 31, 1984-1997	9.50	258,931
Rural Municipality of Lorne	4	October 31, 1984-2000	9.8-13.75	326,760
Rural Municipality of MacDonald	7	October 31, 1984-2000	9.0-13.75	312,458
Rural Municipality of MacDonald	1	December 31, 1984-2003	12.625	5,318
Village of MacGregor	1	October 31, 1984-2000	13.75	22,063
Village of Manitou	2	October 31, 1984-1998	9.0-11.25	83,547
Village of McCreary	3	October 31, 1984-1998	9.8-11.25	27,512
Town of Minnedosa	4	October 31, 1984-2000	9.8-13.75	189,712
Rural Municipality of Miniota	1	October 31, 1984-1996	9.8	13,670
Village of Minitonas	1	October 31, 1984-1999	11.25	88,014
Rural Municipality of Montcalm	1	December 31, 1984-1998	12.625	63,484
Town of Morris	2	October 31, 1984-1998	9.0-9.8	151,753
Town of Morris	1	December 31, 1984-2001	13.125	75,345
Local Government District of Mountain	2	October 31, 1984-1997	9.0-9.8	130,956
Town of Neepawa	2	October 31, 1984-2000	9.8-13.75	323,650
Rural Municipality of North Norfolk	3	October 31, 1984-1996	9.25-10.95	108,610
Village of Notre Dame de Lourdes	3	October 31, 1984-1995	9.25-10.95	62,948
Carried forward	102			$ 6,928,825

The Manitoba Water Services Board

Schedule of Debentures Receivable from Municipalities

as at March 31, 1984

Municipality	Number of Debentures	Term	Interest Rates %	Balance
Brought forward	102			$ 6,928,825
Rural Municipality of Ochre River	2	December 31, 1984-2002	12.625-13.125	30,432
Rural Municipality of Pembina	1	October 31, 1984-1989	11.25	7,996
Village of Pilot Mound	1	October 31, 1984-2000	13.75	22,202
Rural Municipality of Pipestone	2	October 31, 1984-2000	11.25-13.75	46,492
Village of Plum Coulee	4	October 31, 1984-2000	9.0-13.75	265,277
City of Portage la Prairie	6	October 31, 1984-2000	9.0-13.75	1,764,921
City of Portage la Prairie	1	December 31, 1984-2002	13.125	67,907
Rural Municipality of Portage la Prairie	2	October 31, 1984-1995	9.25-10.95	104,143
Town of Rapid City	1	October 31, 1984-1998	9.8	12,910
Rural Municipality of Ritchot	6	October 31, 1984-2000	9.8-13.75	117,150
Rural Municipality of Ritchot	1	December 31, 1984-2003	12.625	14,567
Rural Municipality of Riverside	2	October 31, 1984-2000	11.25-13.75	166,074
Village of Riverton	4	October 31, 1984-1998	9.0-10.95	215,494
Village of Riverton	1	December 31, 1984-2002	13.125	17,810
Town of Roblin	2	October 31, 1984-2000	11.25-13.75	294,969
Village of Rossburn	5	October 31, 1984-2000	9.0-13.75	82,094
Village of Ste. Anne	2	October 31, 1984-1996	9.8-11.25	62,403
Village of St. Claude	3	October 31, 1984-1998	9.8-10.95	51,887
Village of Ste. Rose du Lac	4	October 31, 1984-1997	9.0-10.95	69,699
Town of Selkirk	6	October 31, 1984-2000	9.0-13.75	1,251,682
Village of Shoal Lake	1	October 31, 1984-2000	13.75	163,907
Rural Municipality of Siglunes	1	December 31, 1984-2001	13.125	7,358
Town of Snow Lake	4	December 31, 1984-2003	12.625-13.125	990,660
Village of Somerset	2	December 31, 1984-2003	12.625-13.125	79,909
Town of Souris	3	October 31, 1984-1998	9.0-9.8	497,359
Town of Souris	2	December 31, 1984-2000	12.625-13.125	316,282
Town of Steinbach	3	October 31, 1984-1997	9.0-10.95	85,677
Town of Stonewall	2	October 31, 1984-2006	9.8-10.95	891,141
Rural Municipality of Strathclair	1	October 31, 1984-1988	9.8	29,073
Rural Municipality of Strathcona	2	October 31, 1984-2000	11.25-13.75	44,256
Local Government District of Stuartburn	3	October 31, 1984-2000	9.8-13.75	167,311
Town of Swan River	3	October 31, 1984-1997	9.0-10.95	538,812
Rural Municipality of Tache	3	October 31, 1984-1998	9.0-10.95	27,457
Village of Teulon	1	October 31, 1984-2006	8.0	356,697
Rural Municipality of Thompson	1	October 31, 1984-1996	9.8	136,820
Village of Treherne	2	October 31, 1984-1996	9.8-11.25	147,005
Town of Virden	3	October 31, 1984-1998	9.8-13.75	358,732
Town of Virden	1	December 31, 1984-1998	13.125	18,030
Community of Wabowden (Note 5)	1	August 1, 1984-1995	9.0	210,826
Village of Waskada	1	October 31, 1984-1988	9.25	1,263
Village of Wawanesa	2	October 31, 1984-2000	11.25-13.75	48,502
Town of Winkler	1	October 31, 1984-1996	9.8	21,757
Town of Winnipeg Beach	2	October 31, 1984-2000	11.25-13.75	32,536
	203			$16,766,304

The Manitoba Water Services Board

Schedule of Sinking Fund Investments

as at March 31, 1984

	Interest Rate %	Maturity Date	Par Value	Cost
Debentures:				
Province of Manitoba	11 3/4	March 15, 1993	$ 250,000	$ 242,500
Manitoba Hydro Electric Board	6 1/4	October 1, 1986	4,000	3,516
Manitoba Hydro Electric Board	6 1/4	February 1, 1989	10,000	8,080
Manitoba Hydro Electric Board	6	April 15, 1992	376,000	246,500
Manitoba Hydro Electric Board	6 1/2	September 1, 1992	14,000	10,100
Manitoba Hydro Electric Board	9	April 1, 1990	10,000	9,044
Manitoba Hydro Electric Board	8 1/2	September 15, 1991	28,000	23,937
Manitoba Hydro Electric Board	7 7/8	April 5, 1992	34,000	27,453
Manitoba Hydro Electric Board	8 1/4	August 31, 1992	257,000	212,015
Manitoba Hydro Electric Board	8 3/8	August 1, 1998	111,000	76,897
Manitoba Hydro Electric Board	8 3/8	December 17, 1998	36,000	24,205
Manitoba Hydro Electric Board	10	June 10, 1994	85,000	76,980
Manitoba Telephone System	5 1/2	December 2, 1986	30,000	25,839
Manitoba Telephone System	5 1/4	December 1, 1984	35,000	33,127
Manitoba Telephone System	6 1/4	December 1, 1991	16,000	11,905
Manitoba Telephone System	7	February 15, 1993	158,000	109,350
			$ 1,454,000	$ 1,141,448

The Manitoba Water Services Board

Schedule of Capital Debt

as at March 31, 1984
(with 1983 figures for comparison)

	1984	1983
Advances from the Government of the Province of Manitoba:		
9% payable annually October 31, 1984-1997	$ 1,714,937	$ 1,775,405
9.8% payable annually October 31, 1984-1998	1,887,470	1,942,438
11.25% payable annually October 31, 1984-1999	1,877,871	1,920,018
9.25% payable annually March 31, 1985-2004	1,394,139	1,475,666
9.8% payable annually October 31, 1984-2006	1,474,413	1,524,131
9.4% payable annually October 31, 1984-2007	40,228	40,681
13.75% payable annually October 31, 1984-2000	3,552,634	3,606,742
18.875% payable annually October 31, 1984-2001	—	172,325
13.125% payable annually December 31, 1984-2002	1,115,793	—
Other	4,096,143	2,531,194
	17,153,628	14,988,600
Canada Mortgage and Housing Corporation:		
Advances repayable or convertible to debentures on completion of projects	—	452,191
Debentures:		
7 7/8% payable annually August 1, 1984-1994	74,463	78,598
8% payable annually December 1, 1984-1995	55,463	58,140
8% payable annually January 1, 1985-1996	33,484	35,100
8% payable annually January 1, 1985-1996	42,885	44,955
8% payable annually February 1, 1985-1996	45,564	47,762
10% payable annually February 1, 1985-1996	84,840	88,384
10 3/8% payable annually January 1, 1985-1996	109,919	114,388
10 3/8% payable annually January 1, 1985-1996	24,235	25,220
10 3/8% payable annually February 1, 1985-1996	80,611	83,889
10 3/8% payable annually February 1, 1985-1996	52,859	55,008
10 3/8% payable annually February 1, 1985-1996	61,767	64,278
10 3/8% payable annually February 1, 1985-1996	125,697	130,808
10 3/8% payable annually December 1, 1984-1996	122,552	126,879
10 3/4% payable annually August 1, 1984-1996	56,810	58,757
10 3/4% payable annually December 1, 1984-1996	34,412	35,591
10 3/4% payable annually December 1, 1984-1996	15,699	16,237
8% payable annually April 1, 1985-1997	13,181	13,742
8% payable annually July 1, 1984-1997	753,222	781,654
10% payable annually July 1, 1984-1997	29,445	30,383
10% payable annually July 1, 1984-1997	20,516	21,169
10 3/8% payable annually April 1, 1985-1997	121,746	126,045
10 3/8% payable annually April 1, 1985-1997	107,907	111,717
10 3/4% payable annually July 1, 1984-1997	153,005	157,570
9 5/8% payable annually February 1, 1985-1998	69,677	71,968
11% payable annually November 1, 1984-2002	445,389	—
	2,735,348	2,830,433
Carried forward	$ 19,888,976	$ 17,819,033
Bonds:		
Canada Pension Plan Investment Fund, subject to prior redemption, guaranteed as to principal and interest by the Government of the Province of Manitoba:		
5.42% bonds due April 1, 1986	2,954,000	2,954,000
7.26% bonds due June 2, 1989	3,023,000	3,023,000
	5,977,000	5,977,000
	$ 25,865,976	$ 23,796,033

The Manitoba Water Services Board

Notes to Financial Statements

for the year ended March 31, 1984

1. *SIGNIFICANT ACCOUNTING POLICIES*

a) Cash on deposit with the Minister of Finance

In accordance with the procedures followed by the Province, the Board's disbursement account was held open until April 19, 1984 for the payment of accounts for liabilities incurred during the fiscal year ended March 31, 1984.

b) Capital debt financing

The Board obtained capital debt financing at fixed interest rates in accordance with approved repayment schedules of advances from the Government of the Province of Manitoba and of debentures payable to Canada Mortgage and Housing Corporation. In turn the Board received cash payments or obtained debentures from municipalities for their share of capitalized costs for plant construction. The debentures were issued in amounts and at fixed interest rates sufficient to discharge the municipalities' share of the corresponding capital debt financing provided by the Government of the Province of Manitoba and Canada Mortgage and Housing Corporation.

c) Accumulated excess of operating expenditures over revenues, recoverable

The accumulated excess of operating expenditures over revenues, recoverable, shown on the balance sheet pertains to plants operated under the following terms:

(A) Plants owned and operated by the Board with cost recovery over a 35 year life. These plants were constructed prior to 1972 under The Manitoba Water Supply Board Act. The Act was amended in 1972 and became known as The Manitoba Water Services Board Act with no further additions under this program. The amended Act provides for grants for rate stabilization by the Province.

(B) The plants operated by the Board under agreements with municipalities which were constructed since 1972 under The Manitoba Water Services Board Act.

d) Administration costs

The costs related to the administration and general operation of the Board are paid out of an appropriation of the Department of Agriculture.

e) Pension costs

The employees of the Board, who are paid salaries out of the appropriation of the Department of Agriculture (Note 1 d)), are civil servants and pensionable under the Civil Service Superannuation Fund, to which they contribute at prescribed rates. The Government of the Province of Manitoba is required to pay 50% of the Fund's pension disbursements made to retired employees from its appropriations. No provision is made in the Board's accounts to fund current or past service obligations.

f) Depreciation policy

The Board provides depreciation on a straight line basis for its fixed assets over an 18 year term for equipment and a 35 year term for buildings.

g) Sinking fund

The sinking fund is maintained in accordance with the requirements of The Manitoba Water Services Board Act which prescribes that the Board pay a minimum annual installment to the Minister of Finance of the Province of Manitoba of not less than 1% of the principal amount of the outstanding capital indebtedness on the preceding March 31, together with 4% of the balance in the sinking fund at that date.

Income earned on sinking fund investments is remitted to the Board and is included with interest revenue for the year.

The Manitoba Water Services Board

Notes to Financial Statements

for the year ended March 31, 1984

2. CONSTRUCTION IN PROGRESS RECOVERABLE FROM MUNICIPALITIES AND THE GOVERNMENT OF THE PROVINCE OF MANITOBA

The transactions in this account were as follows:

	March 31	
	1984	1983
Balance at beginning of year	$ 421,132	$ 2,619,262
Add: Construction during the year, Exhibit D	6,003,280	4,466,878
	6,424,412	7,086,140
Less: Recoveries during the year		
Municipalities:		
Cash payments received, Exhibit D	958,871	3,224,878
Debentures received	2,338,362	1,135,051
	3,297,233	4,359,929
The Government of the Province of Manitoba, Exhibit D:		
Grants — subsidization of construction costs	2,433,957	2,148,499
The Government of Canada, Exhibit D:		
Construction expenditure recoveries	21,578	—
Canada Mortgage and Housing Corporation, Exhibit D:		
Grants — subsidization of construction costs	—	156,580
	5,752,768	6,665,008
Balance at end of year, Exhibit A	$ 671,644	$ 421,132

3. FIXED ASSETS

The following is the summary of the Board's fixed assets:

	1984	1983
Land and easements	$ 80,977	$ 80,977
Buildings	4,267,942	4,258,488
Less: accumulated depreciation	2,258,773	2,135,693
	2,009,169	2,122,795
Equipment	1,310,959	1,305,152
Less: accumulated depreciation	1,230,209	1,182,093
	80,750	123,059
	$ 2,170,896	$ 2,326,831

The Manitoba Water Services Board

Notes to Financial Statements

for the year ended March 31, 1984

4. PLANTS OWNED AND/OR OPERATED BY THE BOARD

The details of plants operated under A and B as explained in Note 1 c) are set out below:

	March 31			
	1984		1983	
	No.	Amount	No.	Amount
Plants operated under A — owned and operated by the Board:				
Plants with an accumulated excess of operating expenditures over revenues, recoverable	36	$3,480,803	36	$3,819,159
Plants with an accumulated excess of operating revenues over expenditures	1	29,641	1	30,848
	37	3,451,162	37	3,788,311

The Manitoba Water Services Board Act requires the Board to fix rates for each plant to recover costs pertaining to the services supplied taking into account grants for rate stabilization provided by the Province of Manitoba to those plants constructed under The Manitoba Water Supply Board Act. The rates set by the Board and approved by the Province are in accordance with tables maintained by the Board which indicate a return of full capital costs and operating deficits based on a 35 year operating life. For the year ended March 31, 1984 rate stabilization grants totalling $698,021 were paid in respect of the operations of 29 of the plants constructed under The Manitoba Water Supply Board Act (1983 — $616,346, respecting 29 plants).

	March 31			
	1984		1983	
	No.	Amount	No.	Amount
Plants operated under B — operated by the Board for municipalities:				
Plants with an accumulated excess of operating expenditures over revenues, recoverable	5	46,326	3	41,478
Plants with an accumulated excess of operating revenues over expenditures	5	28,932	7	33,871
	10	17,394	10	7,607
Totals under A and B	47	$3,468,556	47	$3,795,918

5. AGREEMENT, COMMUNITY OF WABOWDEN

Because of the legal status of the Community of Wabowden, the Board has entered into an agreement, in lieu of a debenture, with the Minister of the Department of Northern Affairs who is acting on behalf of the Community. The agreement provides for the recovery of the capitalized costs and interest in accordance with a repayment schedule over a twenty year period ending August 1, 1995.

The Manitoba Water Services Board

Notes to Financial Statements

for the year ended March 31, 1984

6. ADVANCES — CANADA MORTGAGE AND HOUSING CORPORATION

Advances from Canada Mortgage and Housing Corporation are made on approved projects to The Manitoba Water Services Board on the basis of up to two-thirds of the approved costs of projects under construction. The advances made by Canada Mortgage and Housing Corporation are eligible for forgiveness to the extent of 25% of the principal amount of the loan, and 25% of the interest that has accrued in respect of loan advances to the date of completion of the project. Long term debt financing is being provided by the Province and the Canada Mortgage and Housing Corporation financing obtained during the construction period is repaid.

7. CAPITAL AUTHORITY

The Legislature has authorized the borrowing and expending of monies for municipal sewer and water systems. The unexpended amounts as at March 31, 1984 are as follows:

Legislative Authority	Unexpended balance as at March 31, 1984
The Loan Act 1979	$ 631,629
The Loan Act 1981	1,500,000
The Loan Act 1982	2,000,000
The Loan Act 1983	3,000,000
	$7,131,629

8. COMMITMENTS

The Board has signed agreements and offers for the construction of sewer and water systems for municipalities which amount to $7,790,000 as at March 31, 1984 (1983 — $5,742,000). Of this amount, $3,555,000 (1983 — $2,183,000) is expected to be funded by the Government of the Province of Manitoba grants for the subsidization of construction costs with the balance of $4,235,000 (1983 — $3,559,000) to be funded from the Board's Capital Authority (Note 7) which will be repayable by municipalities through debentures (Note 1 b)) or cash payments.

9. LITIGATION

The Board is involved in a civil suit with regard to one of its sewer projects. As a result of the Board's claim for damages a counter suit has been filed by one of the contractors claiming damages from the Board totalling $199,000. There has been no provision in the financial statements for such claim.

10. DISPUTED CLAIM

The Board has received a claim from the project manager for additional work allegedly performed on another of its sewer projects totalling $614,000. This matter has been referred to arbitration. To date, the Board has not accepted liability for the extra charges and accordingly there is also no provision in the financial statements for these claims.